

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

June 11, 2020

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Sharon Pinder	Anthony Williams
Laura Pasternak	Mark Harrison
Chuck Martin	Stanley Tucker
Mara Sierocinski	Tim Smoot
Gina Ramsey	Robin Harris
Kenny Oreagba	

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

May 14, 2020

EXTENSION

Envirenew, Inc.
Unified Solutions Services, LLC
WBGR Sports & Entertainment Network, LLC

REPORT

A-Connection, Inc.
DAR Healthcare Services, LLC
and DAR Adult Day Center, LLC
J. Marshall & Associates, LLC
JCM Control Systems, Inc.

New City Construction, LLC
Bloosurf, LLC
Physical and Sports Rehab, Inc.
OGOS Energy, LLC
Williams Consulting LLC

MODIFICATION

COVID-19 Loan Deferment
Care Management Consulting, LLC
Unified Solutions Services, Inc.

Newman's Body Shop Personal Training, Inc.
Transdermal Specialties Global, Inc.

NEW REQUEST

DC Electric, Inc.
Grektek Holdings, Inc.

The closed session of the May 14, 2020, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Gina Ramsey, Chuck Martin, Sharon Pinder, Mara Sierocinski, and Kenny Oreagba. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the following:

All of the requests were approved.

1. Binge Now, LLC – Approve following modifications: decrease investment to \$135,000; disburse in two additional tranches: tranche 2 of \$30,000 when \$15,000 equity or financing obtained and tranche 3 of \$25,000 when 10,500 subscribers and monthly subscription revenue of \$29,400 obtained; decreased valuation cap to \$2,000,000. The request was unanimously approved.
2. Mahogany, Inc. - \$1,500,000 surety bond line of credit. The request was approved.

NOTE: Gina Ramsey abstained from voting.

MINUTES

May 14, 2020

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Tim Smoot

Applicant: Envirenew, Inc.

Loan Amount: \$250,000 Contract Financing Line of Credit
(mobilization up to \$200,000)

Comments: A 60-day approval extension to August 27, 2020 was requested.

Discussion: There was limited discussion regarding the nature of the business. The loan is very close to settlement.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

EXTENSION

Presenter: Randy Croxton

Applicant: Unified Solutions Services, LLC

Loan Amount: 1. \$550,000 Surety Bond Direct
2. \$120,000 Contract Financing Line of Credit

Comments: The following was requested for approval:

1. Approval extension of the new Surety Bond facility through June 4, 2020 (the actual closing date). The original approval extension was through May 28, 2020.
2. Contract Financing Line of Credit. Remove the principal's wife as a guarantor.

Discussion: There was limited discussion regarding the reason why the principal's wife needs to be removed as a guarantor and confirmation of her not being listed as a guarantor on the new Surety Bonding facility.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the requests as presented.

EXTENSION

Presenter: Anthony Williams

Applicant: WBGR Sports & Entertainment Network, LLC

Loan Amount: \$150,000 EPIP Term Loan

Comments: A 60-day approval extension to August 27, 2020 was requested.

Discussion: The following was discussed:

1. Reasons why the principal did not disclose his criminal background
2. Evidence of expungement

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented subject to MMG providing a report at the next scheduled Authority Board meeting. If the information provided by the principal regarding his expungement

is satisfactory to the Authority, the transaction will close as approved.

REPORT

The following requests were approved by Les Hall, Chairman, on behalf of the Authority.

May 18, 2020 (approved by Les Hall under delegation from Secretary)

DAR Healthcare Services, LLC & Adult Day Care Center LLC – Agree to advance \$15,000 of working capital to pay rent and furniture costs.

May 28, 2020 (approved by Les Hall under delegation from Secretary)

1. A-Connection, Inc. – (extension) Extend approval to July 23, 2020
2. Bloosurf, LLC – (extension) Extend approval to July 23, 2020. The request closed on June 10, 2020.
3. Physical and Sports Rehab, Inc. – (extension) Extend maturity to July 23, 2020
4. OGOS Energy, LLC – (extension) Extend approval to July 23, 2020
5. Williams Consulting LLC – (extension) Extend term to July 23, 2020
6. JCM Control Systems, Inc. – (extension) Extend approval to June 25, 2020
7. J. Marshall & Associates, LLC – (extension) Extend maturity to June 25, 2020
8. New City Construction, LLC – (extension) Extend maturity to July 23, 2020

MODIFICATION

Presenter: Randy Croxton

Comments: During the March 26, 2020 meeting, the Authority approved offering a 90-day payment deferral for MSBDFA term loan borrowers that requested relief due to the COVID-19 pandemic and its impact on the economy. MMG is now requesting the ability to extend the deferral period for an additional 90-days through September 30, 2020 for those borrowers who have already requested an extension and those that may now need one.

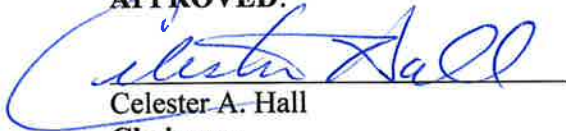
Discussion: The following was discussed:

- a) Timeframe for the current deferment period and the requested extension.
- b) Number of companies under the initial deferment
- c) Anticipation of companies who will request a deferment extension and new deferment requests.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved Commerce's ability to approve term loan deferment extensions and new requests for an additional period of 90 days.

The Open Meeting then closed at 1:35 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:


Celester A. Hall
Chairman

DATE:

11-6-20

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: June 11, 2020

Time: 1:50 pm - 3:10 pm

Location: By teleconference only due to COVID-19 pandemic
(470.869.2200/meeting ID no. 428 245 6027)

Motion to close meeting made by: Sharon Pinder; Seconded by Chuck Martin

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[]	[]	[]	[x]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[]	[]	[]	[x]
Laura Pasternak	[x]	[]	[]	[]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[x]	[]	[]	[]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

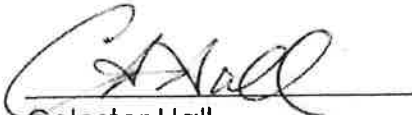
§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.


Celester Hall
Chair